

BYLAWS
OF
GULF COAST ECONOMIC DEVELOPMENT DISTRICT, INC.

ARTICLE I

Name and Purpose

Section 1. Name. The name of the corporation is the Gulf Coast Economic Development District, Inc. (District)

Section 2. Purpose. The purpose of the district is to:

- (a) promote economic growth in the Gulf Coast State Planning Region of Texas;
- (b) increase employment opportunities for unemployed and underemployed persons;
- (c) assist and coordinate economic development planning efforts of local governments and local economic development organizations;
- (d) coordinate economic development planning with transportation planning, community development programs, job training programs and other programs and activities which might stimulate the region's economic betterment;
- (e) implement an economic development technical assistance program which includes workshops, assistance in implementing economic programs, and assistance to local organizations applying for grant assistance for economic development purposes;
- (f) develop a regional Comprehensive Economic Development Strategy (CEDS);
- (g) conduct other activities supporting the region's economic development goals and objectives; and
- (h) All other rights and powers granted to the District as a non-profit organization incorporated under the Texas Non-Profit Corporation Act.

Section 3. Service Area. The District shall serve the counties of Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.

ARTICLE II

Board of Directors

Section 1. General Powers and Qualification. The business and affairs of the District shall be exercised, controlled, and supervised by its Board of Directors (Board). The Board shall be composed of the necessary representatives so as to comply with the Economic Development Administration's regulations and shall include officials

and/or employees of general purpose local governments and private sector representatives. Until changed by amendment to these bylaws, the number of directors serving on the Board of Directors (Directors) shall be 28. The Board will be broadly representative of the District's service area's principal economic interests including business, labor, and education.

Section 2. Composition. The Board will be comprised of the following representatives:

- (a) Local Government Officials. At least a simple majority of the Board shall be elected officials and/or employees of general purpose units of local government appointed to represent such governments.
- (b) Private Sector Representatives. At least one (1) of the Board's membership shall be a private sector representative who are neither elected officials of a general purpose unit of government nor employees of such government appointed to represent that government. Upon the inability to locate a Private Sector Representative to serve, following extensive due diligence, the Assistant Secretary may waive the Private Sector requirement. The Assistant Secretary shall not delegate the authority to grant a waiver pursuant to 13 C.F.R. part 304.2 of EDA regulations.
- (c) Regional Principal Economic Interests. At least one (1) or more of the following: Executive Directors of Chambers of Commerce, Economic Development Corporations, or representatives of institutions of post secondary education, workforce development groups or labor groups, all of which must comprise in the aggregate a minimum of thirty-five (35) percent of the Board's membership.

Section 3. Representation and Method of Appointment – Local Government. Local government representation and method of appointment shall be as follows:

- (a) Each County government which has resolved to support and join the District may appoint one representative and one alternate. Total Board membership representing County government will not exceed thirteen (13).
- (b) The cities of Houston, Pasadena, Baytown, Galveston, and Texas City, when they have resolved to support and join the District, may appoint one representative and one alternate each.

Section 4. Representation and Method of Appointment – Private Sector Representatives and Regional Economic Interests. Private Sector Representatives and those representing Regional Economic Interests will be appointed by the Houston-Galveston Area Council Board of Directors. Private Sector Representatives and those representing Regional Economic Interests may designate one alternate each. Alternate designations will be submitted annually in writing prior to the first meeting of each year. Additional private citizen representatives may be appointed when necessary to achieve the requirement contained in Article II, Section 2 b and c.

Section 5. Tenure. All representatives shall serve terms of three years. Each Director shall serve for his or her term of office, and until his or her successor shall have been duly appointed pursuant to Sections 3, and 4 of Article II of these bylaws. All Directors are eligible for re-appointment without limitation, so long as they continue to meet qualifications for the category they represent.

Section 7. Vacancies. Vacancies in the Board may be filled in the same manner as Directors are initially appointed, for the same category of Directors. If an appointment is made to fill a vacancy on the Board, the successor Director shall serve for the remaining unexpired term of his or her predecessor.

Section 8. Resignation. Each Director shall have the right to resign at any time upon written notice thereof to the President or Secretary of the District. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE III

Duties of the Board

Section 1. General. The corporate powers, business, and property of the board shall be exercised, conducted, and controlled by the Board. The Board shall serve as the policy making body of the District

Section 2. Organization. The Board may recruit and retain staff or may contract for staff services. The Board shall designate an Executive Director to serve as its chief Administrative Officer. The Board shall adopt management and accounting policies and procedures.

Section 3. Contracts. The Board will have authority to enter into contracts and to accept and expend funds from federal, state, and local governmental and private sources.

Section 4. Subcommittees. The Board may establish such subcommittees as it deems necessary to conduct its work. The duties of such subcommittees will be determined by the Board upon the establishment of each such subcommittee.

Section 5. Civil Rights. The Board will establish procedures and take actions necessary to assure compliance with all applicable civil rights laws and regulations.

Section 6. Comprehensive Economic Development Strategy (CEDS). The Board shall be responsible for reviewing, updating, and adopting a CEDS for the District and method of compliance with the applicable requirements of 13 C.F.R. part 303 of EDA regulations.

Section 7. Technical Assistance. The Board may authorize a program of technical assistance to the District service area, including but not limited to workshops and seminars, and information and assistance on state and federal economic development grants and loans.

Section 8. Coordination and Implementation. The Board will coordinate the District's activities with local governments and economic development agencies. It shall exercise other duties as necessary to assure implementation of an effective economic development program and compliance with 13 C.F.R. parts 303 and 304.2 of EDA regulations.

Section 9. Public Participation. The Board will hold meetings open to the public at least once a year and shall also publish the date and agenda of such meetings sufficiently in advance to allow the public reasonable time to prepare in order to participate effectively. The District shall provide information sufficiently in advance of decisions to give the public adequate opportunity to review and react to proposals. The Board will provide admittance to meetings to persons who are not members of either the Houston-Galveston Area Council or the District to enable such persons to make their views concerning ongoing and proposed activities in the District's service area known, in compliance with 13 C.F.R. part 304.2 of the EDA regulations.

ARTICLE IV

Meetings of the Board

Section 1. Regular Meetings. Regular meetings of the Board shall be held four (4) times each fiscal year.

Section 2. Special Meetings. Special meetings may be called by the Board President, Chief Administrative officer of the District, or upon the request of at least three members of the Board. All requirements for notice, quorum and other rules governing regular meetings shall apply to special meetings.

Section 3. Notice. All meetings of the Board shall be called by written notice via United States mail electronic mail, or fax at least three (3) days prior to the meeting. Such notice shall state the date, hour, and place where such meeting shall take place. A waiver of notice in writing and signed by the person entitled to such notice, whether before or after the time the notice is required, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 4. Quorum. At any meeting of the Board, with one-third of current Directors or alternates being present in person or by teleconference and entitled to vote at

such meeting shall constitute a quorum for all purposes, except where it is otherwise provided by law.

Section 5. Organization. The President of the Board, or in his or her absence, the Vice-President of the Board, or in his or her absence, a chairperson chosen by the Directors present, shall preside at each meeting of the Board.

Section 6. Manner of Acting. The District shall adopt a system of parliamentary procedures to assure that Board members and others have access to an effective opportunity to participate in the affairs of the District. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. Any action required to be taken at a meeting of the Board may be taken without a meeting if consent is given in writing setting forth the action to be taken. Written consent shall be signed by all members of the Board and such consent shall have the same force and effect of a unanimous vote.

Section 7. Proxies. Voting by the Directors or their alternates shall be done in person or via teleconference at a meeting called or by proxy pursuant to these bylaws.

Section 8. Conflict of Interest. The District will prevent conflicts of interest pursuant to 13 C.F.R. part 302.17 of EDA regulations.

Section 9. Attendance and Removal of Board Members. Any Director or their alternate failing to attend two regular Board meetings in person or via teleconference within a calendar year will be considered for removal from the Board. Removal of Board members shall be acted upon by the Executive Committee and Board members.

ARTICLE V

Officers

Section 1. Officers. The officers of the District shall consist of an Executive Director, (designated in accordance with Article III, Section 2 of these bylaws) a President, a Vice President, a Secretary, an Assistant Secretary, and a Treasurer, all of whom shall be elected by the Board. Any two offices may be held by the same person except the offices of the President and Secretary. The Board may from time to time grant certain officers the right to act on behalf of the District and at all times the President, Vice President, and Executive Director are each authorized to execute and deliver agreements and other instruments on behalf of the District.

Section 2. Subordinate Officers and Employees. The Board may appoint and remove such other officers and employees as it may deem necessary, who shall have authority and perform such duties, as from time to time may be prescribed by the Board.

Section 3. Tenure of Office and Removal. The tenure of office of each officer of the Board shall be one year. Any officer may be removed at any time prior to the expiration of his or her term by affirmative vote of two-thirds of the Directors present, at a meeting duly called and held where a quorum is present.

Section 4. The President. The President shall preside at all meetings of the District and at all meetings of the Directors at which he or she is present. He or she shall see that all orders and resolutions of the Board are carried into effect.

Section 5. Vice-President. The Vice-President shall, in absence of the President, or in the case of his or her inability to act, be vested with the powers and shall perform the duties of the President. The Vice-President shall also perform such other duties and exercise such other powers as may from time to time may be imposed upon or vested in him or her by resolution of the Board.

Section 6. Secretary. The Secretary shall attend all meetings of the Board. He or she shall assure that official records of the Board shall be maintained and give notice of all meetings as required by these bylaws. He or she shall perform such other duties as may from time to time be prescribed by the Board.

Section 7. Assistant Secretary. The Assistant Secretary shall perform the duties if the Secretary in his or her absence.

Section 8. Treasurer. The Treasurer shall be responsible for reports to the Board concerning the financial affairs of the District. He or she shall perform such other duties as the Board may from time to time prescribe.

Section 9. Executive Director. The Board may employ or designate an Executive Director. Such Executive Director may not be a member of the Board. The Executive Director shall be Chief Administrative Officer for the District. He or she shall employ, direct and supervise District staff and staff activities pursuant to District policies.

Section 10. Vacancies in Office. If an office of the District becomes vacant by reason of death, resignation, retirement, disqualification or removal from office or inability to act, the Board may, in every such case, choose a successor for such officer who shall hold office for such term as may be prescribed by the Board, but no longer than the unexpired term of the officer or agent whose place is vacant, and until his or her successor shall have been duly elected and qualified.

ARTICLE VI

Miscellaneous Provisions

Section 1. Budget. The District's Board shall adopt an annual budget for the operation of the District prior to each fiscal year as established by the Board. Such budget may include federal and state grants. The Board shall assure that local matching

funds will be provided for state or federal grants. The District will make annual budgets available to the public, as may reasonably be requested.

Section 2. Disbursements. All payments for District expenses shall be in accordance with the District budget and pursuant to fiscal policies and procedures adopted by the Board.

Section 3. Limitation of Liability. Any debt, liability or obligations of the District shall be those of the District only and not of any other entity participating in the District.

Section 4. Indemnification. The District may indemnify any current or former Director, officer, agent, employee or similar functionary of the District against judgments, penalties, fines, settlements and reasonable expenses actually incurred by such person as provided in Article 1396-2.22A of Vernon's Annotated Texas Statutes, as amended.

Section 5. Contributions. The Board may accept on behalf of the District any contribution, gift, bequest or devise for any purpose of the District.

Section 6. Amendments. The Board may amend or repeal these bylaws or adopt new bylaws consistent with the Articles of Incorporation and laws of this state, upon a vote of two-thirds of the Directors, at meetings duly called and held at which a quorum is present. Proposed amendments for initial consideration must be forwarded to each Director at least ten days in advance of a Board meeting.

Section 7. Dissolution. The District's Board may dissolve the District in accordance with the provisions set forth in the Articles of Incorporation and the Texas Non-Profit Corporation Act.

Section 8. Fiscal Year. The fiscal year of the District shall begin on the 1st day of January and end on the 31st day of December of each calendar year.

Section 9. Books and Records. The District shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the meetings of its Board and Subcommittees. The District shall make available to the public such audited statements and minutes of public meetings, as may reasonably be requested. The District and its Board of Directors shall comply with all Federal and State financial assistance reporting requirements pursuant to EDA regulations.

ARTICLE VII

Effective Date

These bylaws shall be effective from and after their adoption until amended or repealed in accordance with the provisions set forth in these bylaws.

DATE OF ADOPTION: _____.

Secretary, Board of Directors